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SIPDIS

PM/DTCC: BLUE LANTERN COORDINATOR

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [IT](#)
SUBJECT: BLUE LANTERN RESPONSE ON ELETTRONICA AMPLIFIERS:
LICENSE 050088933

REF: A. STATE 64201
[1](#)B. STATE 86464

1.(U) On 15 July Econoffs performed a site visit of Elettronica's headquarters in Rome to verify the security procedures being used for International Traffic in Arms Regulations (ITAR)-controlled amplifiers and phase shifters referenced in license 050088933. Maria Giovanna Addario Chieco, Elettronica's Vice-President for Procurement and Supply Management, and Giovanni Marolla, an Industrial Security Manager, briefed Econoffs on the procedures used to control sensitive technologies, including phase shifters and amplifiers.

2.(U) Elettronica's security measures were strong. Their buildings are surrounded by a tall fence with armed guards. All guests and employees are given electronic identification badges to control movement to different parts of the facility. The company required official correspondence from Post before making arrangements for a visit. Addario Cieco explained the tight security by noting that ninety-nine percent of Elettronica's products are classified according to NATO levels. She also said that while Elettronica had never previously hosted a State Department representative, she was very familiar with US export control laws, even having passed a course offered by the US Department of Defense a few years ago.

3.(U) Econoffs witnessed a phase shifter with a Tx/Rx module, with serial number MWDM2L-255-6ES-3F. These phase shifters are tracked electronically with a SAP database and stored in a nitrogen-infused environment which has internal and external alarms.

4.(U) Addario Cieco said she considered high power amplifiers and phase shifters sensitive items. She said the reftel items about which Post was inquiring had not been invented in the US, but that Elettronica would treat them as though they had been and follow American restrictions on their export. She said that while Trident, an American company, supplied some technology for the amplifiers, there is another company in Europe which makes the same technology. Addario Cieco said Elettronica preferred to continue using the American supplier, if possible.

5.(U) Elettronica's chief products are related to tactical and strategic surveillance, electronic countermeasures, simulators, and electronic jamming. It has about 800 employees and approximately \$1.4 billion in outstanding orders. It has affiliates in Germany, US (LNX) and the United Arab Emirates (Eltbody). Elettronica's ownership in LNX and Eltbody is 30% and 49%, respectively, due to restrictions on foreign ownership of sensitive businesses. Approximately 60% of Elettronica's sales have been for the European market, 23% for the Italian market, and 17% for the foreign, non-European market. It has worked on the Typhoon,

Tornado, Mirage, C-27J, and AMX aircraft, and hopes to work on the Joint Strike Fighter.

6.(U) Post subsequently made numerous attempts to confirm with the Italian Navy that it has received in full the phase shifters and amplifiers and that they are being used for their intended purpose. However, the officials of the Italian Navy office that can confirm this have not been available. Post will continue to pursue such confirmation, but due to the absence of Italian Navy officials during the August vacation period, it may not be possible to get a response until early September.

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